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Evaluation Framework for the Procurement Strategy for Aboriginal Business

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Executive Summary

An evaluation framework will help plan for the PSAB evaluation in the year 2001.

The federal Procurement Strategy for Aboriginal Business (PSAB) was introduced in April 1996. The Strategy requires that its impacts be evaluated within five years. In order to prepare for this evaluation, the Department of Indian Affairs and Northern Development (DIAND) and Treasury Board Secretariat (TBS) convened a working group including representation from five federal departments and three Aboriginal organizations. The working group commissioned this evaluation framework which outlines a plan for the evaluation to be completed by March 31, 2001.

Section 3 of the framework report identifies several issues respondents believe should be addressed in the future evaluation

- Continued rationale for the Strategy
- Effectiveness of the PSAB implementation
- Cost-effectiveness
- Reporting and accountability
- Impacts resulting from the PSAB
- Lessons learned and suggested improvements.

The approach to conduct the future evaluation builds on existing data and takes into account the challenges of data collection on a government-wide basis

We have also identified methodologies in Section 4 to address these issues and questions associated with them. Section 5 outlines data that we believe should be collected for the evaluation. Collecting results based performance information on ongoing activity of the implementation of the Strategy represents a large challenge given the decentralized nature of contracting and the various systems used to report on this activity.

Our approach for data collection builds upon existing information and one time data collection at the time of the evaluation. The evaluation will include data collection in four main areas (Refer to Table 1) with a simple list of data elements. In short, DIAND, TBS, PWGSC, and departments will be responsible for collecting ongoing data while DIAND and TBS will take the lead in coordinating information gathering for the future evaluation.

Table 1: Proposed data collection for the future evaluation of the Procurement Strategy for Aboriginal Business

Components to review	Data elements	When data collected	
		ongoing	evaluation
Contracting activities	• number of set-aside posted and awarded	✔	
	• value of set-asides	✔	
	• number of incidental contracts	✔	
	• value of incidental contracts	✔	
Complementary measures, Aboriginal supplier inventory and development activities	• number of suppliers registered	✔	
	• number of suppliers providing goods and services to government	✔	
	• types of goods and services supplied		✔
	• number of trade shows	✔	
	• amount of promotional material distributed	✔	
	• number of training and workshop seminars	✔	
Aboriginal Business Capacity Development	• activities that Aboriginal businesses are undertaking to position themselves to gain better access to federal and other markets		✔
Partnerships activities	• number of partnerships formed		✔
	• number of joint ventures		✔
	• impact of subcontracting opportunities		✔
Socioeconomic impacts	• direct impacts (e.g., enhanced capacity of firms through skills transfer)	*	✔
	• indirect impacts (e.g., increase in sustainable employment)	*	✔
	• pursuit of other market opportunities		

Note: (*)These data elements are recommended, in addition to those proposed above.

Section 6 outlines a process for conducting the evaluation, and recommends the continued use of a working group led by DIAND in conjunction with TBS, including at least three other federal government departments. This working group should continue to have representation from Aboriginal organizations, and, in particular, Aboriginal businesses. We also recommend the working group undertake the following activities as next steps to prepare for the future evaluation study:

- ongoing data collection of contracting activity;
- annual progress reports on departmental performance objectives achievement; and
- a final evaluation plan by late 1999 and completion of the evaluation by March 2001.

Table 5 on page 29 outlines a timetable and milestone activities to complete the evaluation.

Section 1 - Introduction

The PSAB was introduced in April 1996 and is being phased in over three years.

In April 1996, the federal government launched the Procurement Strategy for Aboriginal Business (PSAB). The primary objectives of the Strategy are to stimulate Aboriginal business development and to increase the number of Aboriginal firms competing for and winning federal contracts. The Strategy is being implemented in phases. Phase 1 began April 1, 1996 with activities such as contracting review and supplier development, and the introduction of new measures in which specific contracts may be set aside for competition by Aboriginal businesses, especially where the population to be served is largely Aboriginal. Phase 2 started in January 1997 with multi-year Aboriginal procurement performance objectives targets established by federal departments and agencies with contracting expenditures valued at more than $1 million.

The Strategy contains an evaluation clause

The Strategy requires that an evaluation study of the initiative be conducted by March 2001. To plan for the future study, an interdepartmental working group, led by the Department of Indian Affairs and Northern Development (DIAND) working in cooperation with Treasury Board Secretariat (TBS) was established. The group commissioned an evaluation framework to help plan for the future study. By means of a competitive contract set aside for Aboriginal business, Progressive Planning Limited, working in partnership with Prairie Research Associates Inc., was hired to develop the framework.

Purpose of the report

This report presents a framework that identifies evaluation issues to examine in a future study and methodologies to address them. The evaluation framework also presents performance indicators to assist in measuring long-term Strategy impacts. Finally, the framework suggests next steps in the evaluation process.

Purpose of the evaluation framework

The framework is a blue print for conducting an evaluation

The evaluation framework is intended to assist evaluators and program managers. Evaluation issues address concerns such as the continued program rationale, the effectiveness of the initiative's implementation, and long-term impacts. Ongoing performance indicators help managers make decisions about the program's activities.

Approach

We used several data collection methods to identify potential evaluation issues and methodologies, including:

- key informant interviews;
- file reviews;
- a literature review;
- surveys of Aboriginal and government stakeholder groups; and
- a socioeconomic impact framework.

The Status of Implementation Progress Report accompanying this evaluation framework provides details about each methodology. Details from each of the data collection methods are available in Appendices A, B, C, and D separately bound.

Structure of the report

This report is divided into 7 sections. Section 1 outlines the purpose of the evaluation framework. Section 2 briefly describes the PSAB and its intended impacts. Section 3 identifies possible evaluation issues to examine and Section 4 proposes methodologies to address them. Section 5 identifies performance indicators to help managers measure long-term impacts while Section 6 discusses ongoing data collection activities and systems. Section 7 discusses the next steps in preparing for the evaluation study in the year 2000-2001.

Section 2 - The Procurement Strategy for Aboriginal Business: Objectives and Intended Impacts

This section provides a brief overview of the Strategy's objectives and intended impacts. We have prepared a logic model in Table 2 on page 5.

Strategy objectives

The main objectives of the Procurement Strategy for Aboriginal Business are to:

- stimulate Aboriginal business development; and
- increase the number of Aboriginal firms competing for and winning federal contracts.

Activities, outputs, and expected outcomes

The PSAB has three primary activities:

- the creation of measures to set aside specific contracts for competition by Aboriginal businesses;
- the development of performance objectives targets to increase the total value of Aboriginal procurement; and
- the development of complementary measures to facilitate access by Aboriginal businesses to federal procurement opportunities, such as information on Aboriginal suppliers, changes to federal contracting policy notices, informing Aboriginal businesses of market accessibility, and changes to federal contract security requirements.

These main activities and their subactivities result in outputs and expected outcomes. For example, the outputs of the departments' activities on performance objectives (Refer to logic model, Table 2) include targets for the number and value of contracts awarded to Aboriginal businesses, supplier lists, and trade shows.

The expected impacts resulting from this activity include an increase in the number of firms competing and winning contracts, and a growth in investment in Aboriginal businesses.

Intended impacts

The Strategy is expected to have many positive impacts, including:

- to directly...
  - increase the number of contracts with Aboriginal firms;
  - increase the value of federal contracts (set-aside and regular process) with Aboriginal businesses;
  - increase in the number of Aboriginal firms competing for and winning contracts;
  - increase investment in Aboriginal firms and business start-ups;
  - enhance the capacity of firms through skill transfer; and
  - increase partnerships between Aboriginal and non-Aboriginal businesses.

- to indirectly...
  - increase sustainable employment;
  - increase opportunities in other markets;
  - develop product lines to meet new demands; and
  - lead to positive socioeconomic impacts including the reduction of dependency on social assistance.

DIAND program officials also report other intrinsic elements to the Strategy, including: the pursuit of new opportunities in other markets as a result of experience and confidence gained from dealing with the federal government, the transfer of new skills, and the development of product lines to meet new demands. It is also worthwhile to note DIAND's advocacy function. This is an important element which enables DIAND to play a proactive role not only with the Procurement Review Committee and Major Crown Project processes, but also with the performance objective coordinators.

Table 2 (next page) outlines the activities, outputs, and expected impacts of the Strategy in an evaluation logic model which represents the entire federal government.

Table 2 Evaluation logic model for the Procurement Strategy for Aboriginal Business

Objectives	To stimulate Aboriginal business development				To increase the number of Aboriginal firms competing for and winning federal contracts	
Activities	Complementary Measures				Departmental performance objectives	.... Set aside measures for Aboriginal businesses
	Orientation for contracting officers	Contracting policy review	Aboriginal supplier information / marketing	Database development and maintenance		
	• training sessions • distribution of policy • departmental procedures • workshops	• introduction of letters of credit • review contract security • review contract reporting • identifying barriers to Aboriginal firms participating in federal procurement market • identifying benefits to Aboriginal firms as part of Procurement Review policy	• presentations to managers/staff • trade shows for Aboriginal suppliers • distribution of communication/ promotional material	• DIAND Aboriginal Supplier Inventory • departmental supplier lists • PWGSC tracking Aboriginal vendor information	• development of performance objectives • implementing reporting systems or procedures to collect data • report to DIAND on progress of targets	• identification of contracting opportunities to set-aside • identification of subcontracting opportunities • administration of set-aside and certification requirements
Outputs	• training sessions • policy and procedures • workshops	• tools to facilitate Aboriginal procurement • removal of barriers to Aboriginal businesses participating in federal contracting	• presentations • trade shows • information material • partnerships • increase awareness of opportunities	• identification of goods or services offered • identification of location of Aboriginal businesses	• targets for number and value of Aboriginal contracts • supplier lists • trade shows with Aboriginal suppliers • orientation sessions with departmental staff	• set-aside contracts • subcontracts • certifications • joint ventures /partnerships • mentoring with more experienced firms
Impacts	**Direct (Immediate)** • increase in value of federal contracts (set-aside and regular process) with Aboriginal businesses • increase in number of contracts • increase in Aboriginal firms competing for and winning contracts	**Direct (Medium/Long-term)** • increase in investment in Aboriginal firms and business start-ups • enhanced capacity of firms through skill transfer • increase in partnerships between Aboriginal and non-Aboriginal businesses	**Indirect (Long-term)** • increase in sustainable employment • increased opportunities in other markets • development of product lines to meet new demands • positive socioeconomic impacts including the reduction of dependency social assistance			

Section 3 - Evaluation Issues and Questions

The framework identifies issues and questions rated by priority

The evaluation framework presents issues stemming from the general objectives of the Strategy and stakeholder concerns. Each issue is further defined through a number of questions, supported by specific indicators and data sources. The framework also examines issues dealing with program implementation and effectiveness. We rate the importance of each question from 1 (high) to 3 (low) as a method for providing various levels of effort in an evaluation. Questions with a rating of 1 also indicate that agreement has been expressed by Aboriginal, government, and private sector interests and that these form the key issues for the final evaluation.

The evaluation framework (Table 1 appended to this report) presents the following issues:

- the continued relevance or rationale for the Strategy;
- the effectiveness of the implementation of the PSAB;
- the cost-effectiveness of the PSAB;
- reporting and accountability;
- impacts resulting from the PSAB; and
- lessons learned and suggested improvements.

Continued relevance or rationale for the Strategy

Is the Strategy still needed in the year 2001?

The issue of the continued relevance of the PSAB is important to all stakeholder groups, especially Aboriginal stakeholder groups which were interested whether departmental performance objectives targets have been met. If the PSAB is successful, then one would expect the participation of Aboriginal businesses in federal procurement markets commensurate with their growing business capacity. One would also expect that these firms would be as competitive as non-Aboriginal firms in competing for both government and non-government contracts and business. If these expectations are met, then key informants believe it is important for the evaluation to determine whether the PSAB is still required. Have the targets resulted in the growth of viable firms and is there evidence of the longer term benefits? If not, diagnosis of both the mechanisms and the implementation of the Strategy are needed.

It is most likely that Strategy success will take several years; therefore, relevance and rationale depends upon demonstrating both a continued need to assist Aboriginal firms as well as showing that the Strategy is responsible for producing change in a desired direction.

Determining the size of the federal market accessed by Aboriginal businesses helps assess whether Strategy objectives were met

All respondents believe it is important to have a good understanding of the actual size of the total federal market accessed by Aboriginal businesses so as to be able to assess the significance of federal procurement to these firms. Respondents stated that it is important for the evaluation to determine what product lines and services Aboriginal businesses provide and whether these coincide with the needs of federal government users of procurement.

Data on contracting activity helps assess whether PSAB objectives were attained

The main indicators to address this issue will be information on the numbers of Aboriginal businesses competing for and winning federal contracts and an assessment of whether departmental performance objectives targets have been met. Other key indicators include stakeholder opinion assessed through key informant interviews and a survey of Aboriginal businesses. Measuring the increase in the number of contracts bid upon and won by Aboriginal businesses will be done by relying on current contract data collected by departments on an annual basis. However there are limitations to this data. For example, it is difficult to track actual amounts awarded through call-ups under supply arrangements and standing offers. Some firms may not self-identify, thereby making it difficult to identify incidental (non-set-asides) contracts. In addition, low dollar value contracts are not easily tracked. All these factors will lead to significant under-reporting of departmental performance objectives.

A uniform database system to track set-asides and contracts won through the regular process would also be useful to assess PSAB contract activity across departments, but this would require significant financial investment and interdepartmental coordination. Given these constraints the evaluation will need to rely on existing departmental financial tracking systems. The Market Access Directorate, DIAND, has engaged the services of a compliance monitor to follow individual set-aside opportunities from beginning to contract award. This information will be used as part of the program evaluation.

Effectiveness of the implementation of the PSAB

It will be important to assess how effectively the Strategy's main components have worked

The effectiveness of the implementation of the PSAB is driven by a series of questions that assess the processes used to deliver the Strategy. It is important to measure how well the set-asides, the portfolio of complementary measures, and the departmental performance measures have worked. At the least, these activities need to have implemented to a degree sufficient to effect the desired impact.

At the next stage, each of these three types of intervention need to be assessed for their relative contribution to the increase in federal contracts let to Aboriginal firms.

Aboriginal and government stakeholder groups also want to examine the role played by departments and agencies involved with the Strategy. Beyond the use of set-asides and other measures, respondents were interested in whether departmental officials were aware of the PSAB and the goods and services offered by Aboriginal suppliers. What steps have been taken to inform both suppliers and the government community? Respondents told us that if this awareness does not exist, it will be difficult to promote and implement the PSAB at the grass roots level.

Government stakeholders want to assess the usefulness of various components of the Strategy, including the Aboriginal Set-Aside Program, complementary measures, and supplier development activities. They also want to examine whether the electronic tender system is accessed by Aboriginal businesses.

Departments' performance objectives leaders can serve as a benchmark

Implementation is related to performance measures and benchmarking. Government officials and non-Aboriginal businesses need to know whether departmental performance targets have been achieved. Those departments that have met targets should be identified as having assisted Aboriginal firms to grow. These implementation "leaders" can serve as benchmarks for other departments and will be critical sources of information on how to revise the form and content of the strategy. These leaders, if they exist, also speak to the rationale for interventions such as a set-aside program.

Understanding PSAB at all levels will be insightful

Indicators on the effectiveness of the implementation of the Strategy include government, and Aboriginal stakeholder opinion, and a review of supplier development activities. Data sources for this information will come from a survey of Aboriginal businesses, focus groups, key informant interviews (especially from purchasing agents and officers in federal departments) and file reviews or the workshop materials.

Cost-effectiveness of the Strategy

Respondents want to ensure value for money is maintained

Cost-effectiveness questions examine the unit cost for contracts under the Strategy. The federal government needs to obtain value for money in its contracting. Therefore, a key question is whether the set aide contracts offered up comparable value for money as other contracts offered generally.

Most respondents believe that the principle of value for money is essential and that it is directly related to the maintenance of competition among firms. Respondents want to ensure the government did not pay a premium for Aboriginal goods and services and if it did, that any incremental costs are justifiable to advance the objectives of the PSAB.

Data on set-asides posted, competed for, and won, can help measure cost-effectiveness

Indicators to measure cost-effectiveness include an increase in set-asides posted, competed for, and won by Aboriginal businesses. This data will be obtained through the file reviews (including database information). Direct contract by contract comparisons are indispensable, but tricky. Aboriginal firms will often be offering goods and services in remote locations, and it is essential to ensure that value for money compares to identical contracts. Service contracts will require more judgement to assess cost-effectiveness and value for money. Key informant interviews or surveys with contracting (purchasing) officers are an obvious source of opinion on the quality of the work submitted, however, bias may exist in the responses. Collateral data will be derived from a survey of Aboriginal businesses. In addition, as mentioned earlier, the compliance monitor engaged by the Market Access Directorate will also be helpful in providing information.

Reporting and accountability

The issue of accountability addresses concerns about whether efforts were made to ensure reliable and consistent reporting on Strategy activities. The issue is of particular importance to government stakeholder groups which must respond to central agencies and Parliament on how funds for contracts were spent.

Under-reporting is a challenge

Respondents reported that monitoring all contracts, especially low dollar value purchases (through client cards) as well as sub-contracts should be a priority. They believe significant under-reporting may result in the Strategy's benefits if efforts to overcome reporting challenges are not made. Furthermore, respondents also note that departments need to ensure consistent reporting to ensure the validity and reliability of the results reported.

Respondents believe it is important to ensure Aboriginal businesses are the ones benefiting from the PSAB

Respondents believe it will be important for the evaluation to assess that bona-fide Aboriginal businesses benefit from the Strategy. Several key informants were concerned about the problem of whether "front" companies may arise to take advantage of the set-aside process. The original program designers anticipated this problem and instituted measures such as certifications and random audits. Respondents believe it will be important to determine the extent to which this problem exists and to identify any other potential loopholes (e.g., scenario where a set-aside goes to a 51% owned Aboriginal firm that subcontract all the work to a non-Aboriginal business). A successful Strategy will result in new firms being created. Everything hinges on the rigorous application of the definition of an Aboriginal firm. Respondents believe this question can be answered by examining the results of audits of certifications.

This issue and associated questions might be addressed through indicators such as management opinion, contracting officer opinion, review of performance objectives agreements, audits of certifications of Aboriginal firms, and file reviews. Other data sources to address these questions include surveys of RCMs.

Impacts resulting from the PSAB

Impacts of the PSAB is the most important issue

In addition to the rationale/relevance and the cost-effectiveness, measuring the impacts of the Strategy is the most important issue for the final evaluation. Impacts may be divided into positive and negative impacts.

Positive impacts

Strategy impacts will be observed at several levels

It is possible to examine the impacts of the PSAB at several levels:

- Most important, the Strategy is designed to encourage Aboriginal businesses to pursue federal and other contracting opportunities; and
- It is also important that the PSAB should lead to benefits at the individual business level. By the very nature of their activities, the businesses will also spawn various direct and indirect impacts that should be measured.

Respondents want to know where impacts are occurring

Respondents believe the evaluation should assess where Strategy impacts are occurring and the capacity of Aboriginal firms to meet government's procurement requirements. To what extent has employment in Aboriginal communities increased and what indirect socioeconomic impacts have been observed at the community and regional level? Respondents were also interested in knowing how businesses on-reserve and in remote communities are benefitting from the Strategy compared to urban-based Aboriginal businesses located near government centers.

The evaluation should assess what partnerships have been forged and what capacity building and skills transfer has taken place

Partnership and joint venture development is also a key objective for the Strategy. Increased partnerships and joint ventures are seen as leading to stimulating Aboriginal business development and increasing the number of contracts competed for and won by Aboriginal firms. By working with more experienced prime contractors or partners, Aboriginal firms are expected to be "mentored" to higher levels of capacity and skill. These relationships are believed to offer Aboriginal businesses increased access to opportunities in the federal procurement market.

Partnerships are also expected to increase capacity and knowledge transfer from the "mentor" firm to the "developing" company. Skills that may be transferred will relate to contract bid preparation, writing of requests for proposals, project management, and other business skills. This newly acquired experience may also allow Aboriginal businesses to compete in other procurement markets.

Users of government procurement want to know more about the abilities of Aboriginal suppliers

Government users of procurement and Aboriginal stakeholder groups were the most interested in the development of partnerships and capacity building. It is likely that non-Aboriginal firms will adopt a more cautious stance. Government users also believe it is important to identify the types of goods and services offered by Aboriginal suppliers in order to more effectively facilitate partnerships and strategic alliances between Aboriginal and non-Aboriginal firms which will be of direct benefit to their projects and all the parties involved.

Possible negative impacts need to be assessed

The evaluation should assess if any "dislocation" effects has resulted from the PSAB

Non-Aboriginal businesses and government stakeholder groups are keenly interested in determining what "dislocation" effects, if any, exist. Have there been any displacement or negative effects on non-Aboriginal businesses? Has competition been maintained?

Several respondents, especially non-Aboriginal key informants, believe there may be negative impacts on non-Aboriginal firms as a result of the set-aside measures. Use of set-asides will reduce the pool of contracts available to non-Aboriginal businesses. On the other hand, through the use of joint ventures, the teaming of Aboriginal and non-Aboriginal firms may allow businesses to obtain previously unaccessible work.

Measuring socioeconomic impacts is a challenge given present contracting systems

Socioeconomic impact data needs to be collected to measure these Strategy results

Treasury Board is committed to performance measurement and results reporting. As mentioned earlier, respondents are cognizant of the need to demonstrate the success of the PSAB in terms of measuring socioeconomic (indirect) impacts from the Strategy. However, at present, departmental contracting databases are not setup to gather employment-type information.

As part of the evaluation framework exercise, we examined the possibility of measuring socioeconomic impacts through a model or framework (Appendix D, separate document). The report recommended that the best approach to obtain the above mentioned information was to develop a comprehensive government-wide federal contracts database. The working group recognized that this approach was not feasible given current systems and costs; therefore, the evaluation will need to rely solely on case studies of selected contracts (discussed further in Section 4.6) to collect this type of information. A case study can obtain detailed information on spending and jobs created from the firm.

Lessons learned and suggested improvements

Lessons learned identify factors of success and best practices

The issue of lessons learned from the PSAB experience was identified by federal government evaluators. Lessons learned address questions about the strengths and weaknesses of the PSAB. What components worked best and under what circumstances? What improvements should be made to the Strategy?

Lessons learned might also focus on providing details of successful examples of government procurement and identifying elements that led to that success. The intent to is to share best practices with other departments and Aboriginal businesses seeking opportunities with the federal government.

The best sources of information on lessons learned is from the experiences of government, Aboriginal, and non-Aboriginal stakeholder groups. Data sources include key informant interviews and focus groups with various stakeholder groups.

As mentioned earlier, Table 1 in Annex A (attached to this report) provides a complete evaluation framework identifying issues, questions, indicators, data sources, and priority ratings.

Section 4 - Proposed Evaluation Methodologies

This section outlines the methodologies we propose to use to address the issues and questions identified in Section 3. Table 1 in Annex B (appended to this report) identifies the proposed evaluation issues and cross-references them with methodologies. Table 3 offers a synopsis of the eight discrete tasks we propose for the evaluation.

Table 3:Proposed Evaluation Methods

Task	Synopsis	Data Collected
1 Key informant interviews	Interviews with senior managers in contracting departments, DIAND, and TBS	Perspectives from management; leading practices; program features and progress
2 Follow-up surveys of government stakeholders	Mail survey of 43 government performance objective coordinators	Follow-up on 1997 baseline
3 Telephone survey of Aboriginal businesses	400 telephone surveys	Perspectives on impacts of PSAB. (200 linked to sample of selected contracts Task 6)
4 Focus groups	Teleconference groups with key stakeholder groups	Perceptions on program impacts; suggestions for change
5 File review	Program profile and review	Basic operational data on the program
6 Review of sample of selected contracts (case studies)	Sample of 200 completed contracts	Essential features of the contract including wages paid, location of work, local expenditures, jobs created (linked to 200 interviews from Task 3)
7 Survey of a sample of responsibility centre managers (RCMs)	Mail questionnaire of 200 RCMs	Experience with PSAB
8 Survey of federal government contracting officers (FCOs)	Mail questionnaire of 200 FCOs	Experience with PSAB
9 On-going performance measurement	Regular data extracts from program activity	See Section 5 below

Key informant interviews

Key informant interviews will identify management concerns and provide a better understanding of the PSAB and its intentions. Participants to include in these interviews include senior program managers at DIAND, TBS, and PWGSC. We also recommend interviewing performance objectives coordinators in departments purchasing the most goods and services from Aboriginal businesses and other departments representing a variety of approaches to PSAB implementation.

To address the issue of the involvement of Crown corporations in the Strategy, the evaluation should also include several interviews with representatives from these organizations. Interviews will also identify processes and best practices that can be passed on to other departments.

Follow-up surveys of government stakeholders

A follow-up survey of all performance objectives coordinators (n=43) surveyed in 1997 will be important to assess progress on the implementation of the Strategy. In particular, the follow-up survey will assess whether views on attitudes about the Aboriginal procurement, and perceived impacts of the Strategy have changed over time. The results of the follow-up survey can be compared against the baseline established in 1997.

Telephone survey of Aboriginal business

A survey of Aboriginal businesses will be important to assess the impacts of the PSAB on these firms. The survey should focus on collecting the following information:

- a profile of Aboriginal suppliers including types of goods and services provided, business sectors they work in, and the nature of joint ventures or partnerships established;
- on the direct and indirect impacts of the PSAB on the Aboriginal business sector, including jobs created, growth in business investment, and any secondary impacts at the communities where they are located; and
- other market opportunities that Aboriginal suppliers have pursued.

Aboriginal suppliers that have provided goods and services to the federal government should be surveyed

We recommend surveying 400 businesses, 200 of which will be linked to the contracts sampled in the review discussed in Section 4.6 below. However, given that the experience of randomly choosing businesses from the Aboriginal Supplier Inventory (ASI) identifies many firms that do not sell goods or services to the federal government, we believe selecting firms that have been awarded contracts will provide the most information.

The sample could also include some businesses that have competed unsuccessfully for contracts or that received standing offer awards through limited call-ups. However, it may be very difficult for departments to identify the latter businesses.

The bulk of the sample will be selected from the Aboriginal Supplier Inventory. This approach has two advantages. It allows for follow-up with Aboriginal businesses contacted in 1997 and it is a quick and efficient manner to select firms. Public Works and Government Services and several more active departments will supplement the sample by providing the names of businesses manually or selecting them from their contracting systems. The intent is to examine businesses that benefitted from the Strategy.

We propose the questionnaire be administered by telephone using a letter for pre-notification The questionnaire must be structured to obtain the maximum amount of information in the shortest possible time period. Past experience has demonstrated respondents' reluctance to participate if the questionnaire will take more than 10 minutes of their time. It is proposed that the instrument be no longer than a page or several questions in length. We recommend survey questions be of a quantifiable and closed-ended nature to capture more consistent and reliable data.

Focus groups

Focus groups are useful to capture the views of many groups

Focus groups are useful to examine select issues and themes for discussion. Several key informant focus groups could be held at strategic points throughout the country. It is recommended that separate group meetings be held for each of the different key informant groups.

Potential groups to include:

- Aboriginal business leaders;
- Non-Aboriginal business leaders and/or associations; and
- Government officials (e.g., coordinators, contracting officers, responsibility center managers that procure from Aboriginal firms, providers of training on the Strategy, policy makers).

Teleconference discussion groups have proven to be cost-effective

We recommend discussion groups that are two hours in length and have no more than 8 to 10 participants. These groups can be conducted as teleconference discussions, which has proven to be an efficient and cost-effective method of gathering respondents across regions and time zones. It is also useful to provide a one or two page paper to participants to provide background information on the program, its issues, and the questions to be reviewed.

File review

File review includes an examination of documentation and database information

The file review should focus on the processes departments and agencies used to implement, monitor, and promote the Strategy. The file review should also identify quantitative information to help measure program results. However, it is unlikely that these files will offer reliable data on socioeconomic impacts at the micro or macro level.

Documentation to review will include:

- annual performance objectives targets submitted by departments and agencies to measure progress of commitments made over time;
- output information from PWGSC and other departments on set-aside contracts;
- contract information reported to TBS (set-aside and incidentals); and
- vendor information on Aboriginal suppliers.

This data should be available on an annual basis and relatively easy to access at the time of the evaluation.

Review of sample of selected contracts (case studies)

Examining contract files is one method to examine economic impacts

We recommend that a sample of 200 contacts be sampled. Each selected contract needs to be matched to the supplier, and a stand-alone survey proposed above (see Section 4.3 above).

Extracting key data from selected contract cases will be the only way to assess key Strategy impacts, in particular indirect impacts such as community socioeconomic impact. This review needs to extract key information on wages, jobs created, and the dollar value of inputs purchased from Aboriginal businesses. It is likely that certain key data will not be available from the contract files and will need to be collected from businesses contacted in the survey.

Table 4 identifies PWGSC contracts awarded during fiscal year 1996-1997. As stated earlier, working group members believe it is important to identify a cross section of different types of contracts (e.g., goods, services, construction). However, it is important to note that information is more readily collected on contracts more than $25,000 compared to low dollar value purchases which are not easy to identify.

Table 4 PWGSC - Contracts awarded during fiscal year 1996-1997

VCI	Number of documents		Value of documents	
	%	total	%	total
Less than $0	3.08%	2317	-3.51%	($284,875,815.00)
$0 to $24,999	70.11%	52730	4.51%	$366,410,437.00
$25,000 to $59,999	12.16%	9147	4.35%	$353,590,497.00
$60,000 to $99,999	4.38%	3296	3.13%	$253,760,446.00
$100,000 to $1,999,999	9.63%	7241	30.76%	$2,497,794,331.00
$2,000,000, to $9,999,999	0.51%	381	19.30%	$1,566,808,836.00
$10,000,000 and above	0.13%	97	41.46%	$3,365,915,166.00
	100.00%	75209	100.00%	$8,119,403,898.00

Source: Public Works and Government Services Canada, January 1998.

We recommend that 200 contracts files from across all federal departments are selected using a probability proportional to contract size. Such a probability sample will preserve the inferential basis for projecting socioeconomic impact at the national level. With reference to Table 4 this approach increases the likelihood of selecting the large contracts. In this way, the national impact of the total value of the contract can be estimated with greater reliability than using a simple random sample.

We expect that examining standard contracts such as computer services, Aboriginal awareness courses, and building maintenance services will allow some degree of generalization, but may not be the case for consulting contracts. While not as valid as a 100% data base that collected data on jobs for each contract[1], information from the case studies may allow us to present a general estimate of national socioeconomic impact. The key to this task is good response on the survey of Aboriginal businesses (section 4.3).

We also recommend selecting recently awarded contracts where information is complete. Departments will need to identify a sample of contracts for review. The evaluators and working group members will need to agree on the exact numbers from each department at the time of the evaluation. The sensitivity of the information and the difficulty in locating it, will also require departments assemble the contract files for review. These files often include the request for proposal, the statement of work or tender, and other information valuable to evaluation. Issues of confidentiality will be especially important in handling this information.

Ideally, to verify and update the information on socioeconomic impacts, we should contact firms involved with the contracts. Questions about how many employees were hired, whether jobs have been sustained, whether employees were on employment insurance or social assistance and which partnerships were created, would provide a picture of the contracts results being reviewed. While ideal, the reality is that it will be costly to manually review many contract files and to follow-up with those involved. In addition, this information is competitive intelligence and private data that many firms will be reluctant to provide.

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[1]Case studies will allow us to calculate multiplier effects resulting from the contracts for communities.

The best option is to also include these firms in the sample of telephone surveys with Aboriginal businesses and compare them with the case study results. Departments can identify contract files at the same time as providing the names of Aboriginal businesses for the telephone surveys. It will be a significant challenge to coordinate the sample in this way and should involve the assistance of DIAND to assemble the sample frame from each contracting department.

Survey of a sample of responsibility centre managers

RCMs have first-hand knowledge of Aboriginal suppliers

Responsibility centre managers (RCMs) purchase goods and services from Aboriginal suppliers on a regular or ad hoc basis. We recommend a mailed survey of RCMs be included in the evaluation study. The survey could go to RCMs or their designated purchasing staff. The latter would also allow for follow-up on the progress identified by users of procurement in 1997 and to further examine their experiences with Aboriginal suppliers. The sample was generating using information on set-asides reported to the Market Access Directorate (MAD) at DIAND. It would be useful if MAD could request that when departments notify them of set-asides (as is required by the Strategy) that the name, address, and fax and telephone numbers of the RCM/designate be identified.

The questionnaire should be no more than 2 pages long and focus on reasons for purchasing Aboriginal goods or services, the process of administering contracts, and experience with the Aboriginal Set-Aside Program.

We recommend a sample of 200 RCMs from across departments and locations in Canada to be conducted every two years. Past experience shows that a mail survey with this group will achieve a good response rate.

Survey of federal government contracting officers (FCOs)

Contracting (purchasing) officers work in the field to implement the PSAB

Respondents often indicated that the awareness of contracting officers is vital to implementing the Strategy, especially in regions. Contracting officers also follow-up procedures and policies and a

survey of this group will provide an indication of how successfully the PSAB policy is communicated and put into action. Contracting officers also deal with problems such as lack of qualified bidders and rejecting proposals that do not meet the requirements outlined by RCMs or other regulations. Their experience with these issues is vital to understanding barriers that impede Aboriginal businesses.

We recommend a sample of 200 FCOs be surveyed with a mail questionnaire every two years. A random selection of respondents can be selected from each department or agency that submitted a performance objective agreement to DIAND. Contracting officers may also provide details about how these performance objectives are achieved and reported.

Table 1 in Annex A (attached to this report) outlines which of the methodologies will address the evaluation issues and questions.

Section 5 - Performance Measurement for the PSAB

Performance measurement is intended to collect on-going information on program operations, to support on-going management decision-making, and support efficient collection of data for outcome evaluations. Performance indicators allow for informed decision making at the local, regional, and national level. Indicators are a regular measurement of program inputs, activities, and outcomes (Mayne and Zapico-Goñi, 1997). Treasury Board also defines performance measurement as the measures of activities, outputs, and outcomes. Often performance indicator systems are designed to support decentralized decision-making, while allowing program managers at the national level to observe effectiveness unobtrusively (O'Leary, 1995).

With limited government finances, performance measurement is increasingly being requested by senior management to show that programs are well managed and successful. To this end, performance measurement often focuses on information about program efficiency and effectiveness.

- *Efficiency* is the relationship between program inputs and expectations. How well is a program delivered?

- *Effectiveness* deals with the relationship between outcomes and expectations. Did a program meets its objectives?

Objectives

Performance measures should also have the following characteristics:

Validity	Indicators are appropriate to measure objectives;
Reliability	Data come from an accurate information system and are not suspect or easily challenged; and
Useful	Indicators are clear, meaningful, and adapted to management needs.

There are several objectives for a successful performance framework (Refer to Table 5).

Table 5 Objectives for using performance measures

- The list of indicators should be short and focus on essential information to improve reliability and raise response rates.
- Information on impacts needs to be timely and relevant to support decision-making and to account for performance.
- Performance monitoring should build on existing data.
- Stakeholder groups and senior management have to work together to define their information needs.
- The cost of data collection should be reasonable and not create undue respondent burden.

Indicators and data sources

Figure 1 provides an outline of the performance indicators we propose should be collected to assess the impacts of the PSAB. We propose data be collected in two main areas, each with dual themes

- data collected on an ongoing existing basis
  - contracting activities (e.g., number and value of contracts) is collected by PWGSC and departments which report this information to TBS
  - information on complementary measures, Aboriginal supplier inventory, and development activities reported by departments as part of the performance objectives agreements
- **evaluation data collection**
  - partnership activities will be reported through surveys of RCMs and Aboriginal businesses, and a review of contract files (case studies)
  - economic impacts will be collected through a sample of Aboriginal business surveys and a review of contract files.

The community profile information maintained by DIAND (e.g., social assistance recipients, employment, population, income levels) will provide support for the case studies of individual

contract and job creation impacts for businesses on-reserve. However, the bulk of the impacts on Aboriginal businesses are expected to be off-reserve and in urban areas. Community information will not be available for the latter client groups.

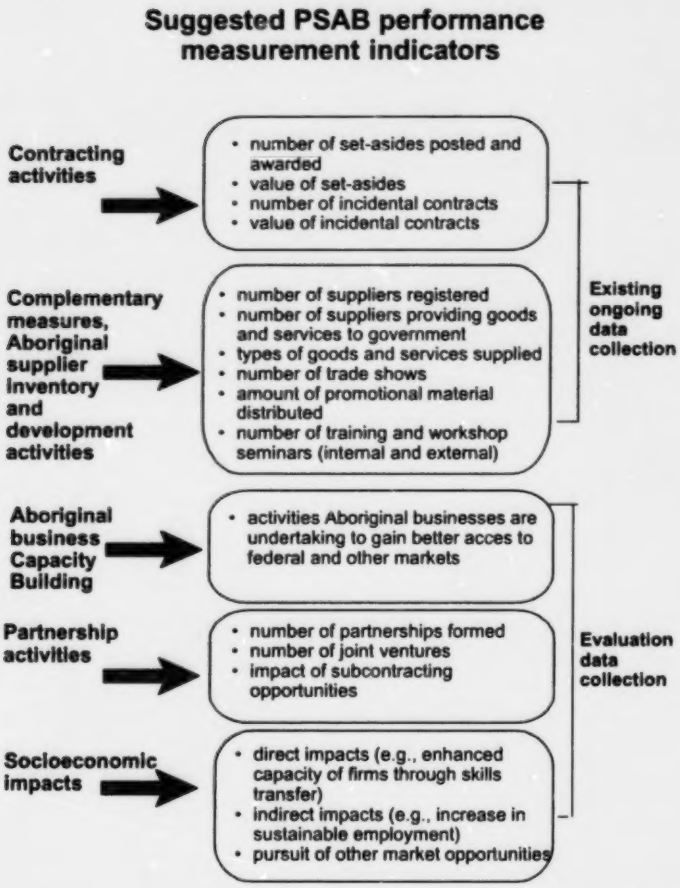
Suggested PSAB performance measurement indicators
Contracting activities
• number of set-asides posted and awarded
• value of set-asides
• number of incidental contracts
• value of incidental contracts
Complementary measures, Aboriginal supplier inventory and development activities
• number of suppliers registered
• number of suppliers providing goods and services to government
• types of goods and services supplied
• number of trade shows
• amount of promotional material distributed
• number of training and workshop seminars (internal and external)
Existing ongoing data collection
Aboriginal business Capacity Building
• activities Aboriginal businesses are undertaking to gain better acces to federal and other markets
Partnership activities
• number of partnerships formed
• number of joint ventures
• impact of subcontracting opportunities
Socioeconomic impacts
• direct impacts (e.g., enhanced capacity of firms through skills transfer)
• indirect impacts (e.g., increase in sustainable employment)
• pursuit of other market opportunities
Evaluation data collection

Figure 1

Ongoing data collection activities and systems

Appendix B (separately bound) provides an overview of data collection activities and systems.

Several systems collect information on contract activity

- Contracting activity is monitored by Treasury Board Secretariat and Public Works and Government Services which report on the number and value of contract awards on a fiscal and calendar year basis.

- PWGSC uses a number of systems to collect information on contracts and suppliers, including:

  - the Vendor Information Management System (VIM);
  - Government Electronic Tendering System (i.e., OBS/MERX);
  - Acquisition Information System (AIS); and
  - Contracts Canada business registry.

- Departments either use their financial reporting systems or manually collect contract activity (number and value) information on Aboriginal set-asides and non set-aside (incidental) contracts.

Supplier information is fragmented across departments and systems

- Departments are collecting some qualitative information on supplier development and inventory activities as part of the performance objective reporting. DIAND maintains the Aboriginal Supplier Inventory (ASI) which contains approximately 2700 supplier names. However, this database needs to be improved to identify firms that contract with the government, the types of goods and services offered, and where they are located (e.g., on-reserve, urban). PWGSC also maintains vendor information.

  The ASI is presently being enhanced. This is timely, given that many departments indicated they want to use the system to identify suppliers.

There is no centralized source to collect economic impact data

- We did not identify any system that collects economic impact data (e.g., employment created). Limited information is collected (e.g., construction or professional services contracts) through bids and proposals. However, this information is presently maintained by individual project managers and not centrally located.

While there is no single system that records employment and other economic impacts (e.g., investment in business), some of this information is submitted as part of the contract bids, identifying person-days of employment (e.g., construction and services contracts). To assess such impacts, the evaluation will need to rely on a one-time sample of contract files.

Proposed data collection activities and tools

This section summarizes the ongoing data and one time data collection required when the evaluation is conducted. It will be a significant challenge to collect information on a government-wide basis. Costs to develop new systems are great as would be the time to development them. Therefore, the working group supports an approach that builds on existing systems and information and keeps evaluation data collection as simple as possible.

Table 6 on (next page) provides an overview of the data elements that need to be collected and sources of information.

Table 6: Proposed performance monitoring data collection for the Procurement Strategy for Aboriginal Business

	Data elements	Data sources	When data collected	
			ongoing	evaluation
Contracting activities	• number of set-asides posted and awarded	PWGSC, DIAND, TBS	✔	
	• value of set-asides			
	• number of incidental contracts	PWGSC, DIAND, TBS	✔	
	• value of incidental contracts	PWGSC, TBS	✔	
		PWGSC, TBS	✔	
Complementary measures, Aboriginal supplier inventory and development activities	• number of suppliers registered	PWGSC, DIAND	✔	
	• number of suppliers providing goods and services to government	PWGSC, DIAND	✔	
	• types of goods and services supplied	Surveys of Aboriginal businesses & RCMs		✔
	• number of trade shows	Departmental performance objectives	✔	
	• amount of promotional material distributed	Departmental performance objectives	✔	
	• number of training and workshop seminars	Departmental performance objectives	✔	
Aboriginal Business Capacity Development	• activities that Aboriginal businesses are undertaking to position themselves to gain better access to federal and other markets	Surveys of Aboriginal businesses & RCMs PWGSC, DIAND, TBS		✔
Partnerships activities	• number of partnerships formed	Surveys of Aboriginal businesses & RCMs		✔
	• number of joint ventures	Surveys of Aboriginal businesses & RCMs		✔
	• impact or subcontracting opportunities	PWGSC, TBS		✔
Socioeconomic impacts	• direct impacts (e.g., enhanced capacity of firms through skills transfer)	Surveys of Aboriginal businesses & RCMs, review of contract files (case studies)		✔
	• indirect impacts (e.g., increase in sustainable employment)	Surveys of Aboriginal businesses & RCMs, review of contract files (case studies)		✔
	• pursuit of other market opportunities	Surveys of Aboriginal businesses & RCMs, review of contract files (case studies)		✔

Section 6 - Evaluation Process

This section provides some suggestions for how to structure and conduct the evaluation process for a future study.

Roles and responsibilities

Respondents prefer an interdepartmental process led by DIAND

Key informants believe the evaluation process should be based on the current approach used: an interdepartmental mechanism (committee or working group). Most respondents believe that DIAND, in cooperation with TBS, should lead the study.

Respondents also want to ensure Aboriginal businesses are represented through data collection and in the evaluation process. Many respondents believe that the current approach of including Aboriginal organizations on the working group should again be adopted, including representation from Aboriginal businesses. Figure 2 provides an illustration of this approach.

Respondents prefer to conduct one study with departmental input

Respondents believe it will be easier to coordinate a study that is "centralized" in focus. For example, DIAND would request information from departments as opposed to each department conducting its own study ("decentralized" approach) and integrating the results. The advantage to this approach is that it saves time and costs.

Proposed Evaluation Working Group

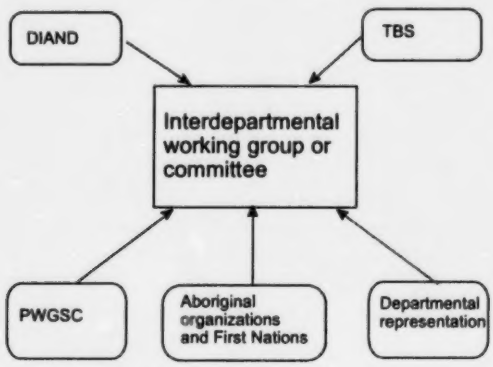

Figure 2

Activities and timetable

Activities to undertake in preparation for the evaluation study include:

- Reporting among TBS, PWGSC, DIAND and departments needs to be more coordinated. Both PWGSC and DIAND obtain contracting information. Reporting must be consistent and timely. Presently, due to the complexity of obtaining data, contacting activity information lags by almost two years. In addition, departments report on similar activities as part of the performance objectives agreements but they have different ways of providing information. For example, some departments reported the actual number of contracts and their value, while others report a percentage target;

- An annual report on performance objectives achievement should be prepared. This data can feed directly into the final evaluation;

- Bi-annual surveys of responsibility centre managers and federal contracting officers; and

- The evaluation plan identifying issues and questions in this framework should be shared with all participating departments to encourage their support of the data collection.

Table 7 identifies specific tasks and a proposed schedule to complete these activities. We have extended the timetable into the year 2002 to take into account the possible conduct and evaluation reporting on the bi-annual surveys of RCMs/FCOs.

Table 7: Proposed timetable for conducting the evaluation of the PSAB

Tasks / activities	1999						2000						2001						2002	
bi-monthly	J	M	M	J	S	N	J	M	M	J	S	N	J	M	M	J	S	N	J	M
Discuss evaluation framework																				
Prepare instruments for ongoing data collection																				
Annual update on performance objectives																				
Bi-annual surveys of responsibility centre managers (RCMs) and federal contracting officers (FCOs)																				
Working group review of progress on reporting and rectify problems																				
Prepare a final evaluation plan (identify exact issues and questions to address)																				
Review final evaluation plan with working group																				
Identify technical experts for working group subcommittees																				
Prepare evaluation instruments (interview guides)																				
Sample of contracts																				
Collect evaluation data (interviews, surveys)																				
Evaluation reporting																				

Outputs

The following outputs will be derived from the proposed evaluation activities:

- continuation of working group to coordinate evaluation activity;
- ongoing data collection and surveys;
- annual progress report on data collection and performance objectives achievement; and
- evaluation completed by March 2001.

We recommend that the evaluation process begin immediately with DIAND, TBS, and PWGSC identifying how best to coordinate their efforts to collect contracting and economic impact data.

Appendix 1

Issues Key Informants would like to see Addressed in a Future Evaluation

Table 1: Issues key informants would like to see addressed in a future evaluation				
Issue	**Questions**	**General Indicators**	**Data sources**	**Priority**
Continued relevance or rationale for the PSAB	a. What is the size of the federal procurement market available to Aboriginal businesses? What portion is successfully accessed by Aboriginal businesses? Have Aboriginal businesses been integrated into the federal market place?	• Government stakeholder opinion • Aboriginal stakeholder opinion	Key informant interviews Survey of Aboriginal businesses	1
	b. Is the Strategy still required?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Increase in firms competing for and winning contracts	Key informant interviews Survey of Aboriginal businesses File reviews Contract Review (case studies)	1
	c. What goods and services do Aboriginal suppliers provide? To what extent do Aboriginal businesses have the capacity to provide goods and services procured by the federal government?	• Supplier inventory/lists • Aboriginal stakeholder opinion • Bid matching activities	File review (database information) Survey of Aboriginal businesses	1
	d. Are Aboriginal businesses aware of the PSAB and what contracting opportunities are available? If so, how did they find out about them?	• Aboriginal stakeholder opinion	Survey of Aboriginal businesses Focus groups	2
Effectiveness of the implementation of the PSAB	a. Have the performance objective targets been met?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Increase in firms competing for and winning contracts	Key informant interviews Survey of Aboriginal businesses File reviews Contract Review (case studies)	1
	b. Was the process for implementing the PSAB effective? Which elements were most effective? How can the PSAB be improved? What adaptations have been made to the Strategy during its implementation?	• Government stakeholder opinion • Aboriginal stakeholder opinion	Key informant interviews Focus groups	1

Table 1: Issues key informants would like to see addressed in a future evaluation

Issue	Questions	General Indicators	Data sources	Priority
	c. Are contracting officers and RCMs aware of the PSAB and Aboriginal goods and services available?	• Government stakeholder opinion	Survey of FCOs Survey of performance coordinators	2
	d. Has there been effective communication among government departments and with Aboriginal businesses?	• Government stakeholder opinion • Aboriginal stakeholder opinion	Key informant interviews Survey of Aboriginal businesses	1
	e. Has the electronic tendering system (Government Electronic Tendering System [i.e., OBS/MERX]) been effective? Do Aboriginal businesses subscribe to it?	• Government stakeholder opinion • Aboriginal stakeholder opinion	Survey of Aboriginal businesses Focus groups Survey of FCOs Survey of RCMs	2
	f. What Aboriginal procurement practices have been voluntarily adopted by major crown corporations?	• Government stakeholder opinion	Key informant interviews	3
	g. Has the Aboriginal Business Set-Aside Program been helpful?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Survey of Aboriginal businesses Key informant interviews Focus groups	2
	h. Which changes to contracting policy within the responsibility of TBS have been effective (e.g., bonding, letters of credit, etc)? Are bid matching services used by Aboriginal businesses? To what effect?	• Government stakeholder opinion • Aboriginal stakeholder opinion	Key informant interviews Survey of Aboriginal businesses	2
	i. What promotion and supplier development activities have taken place?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Supplier development activities	Key informant interviews File reviews	2

Table 1: Issues key informants would like to see addressed in a future evaluation				
Issue	**Questions**	**General Indicators**	**Data sources**	**Priority**
	j. What has been the role of the ASI? Has it been useful to purchasers and suppliers?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Aboriginal businesses registering with the federal government	Key informant interviews Focus groups File reviews	3
	k. What activities are Aboriginal suppliers undertaking to access federal markets?	• Aboriginal stakeholder opinion	Focus groups Survey of Aboriginal businesses	3
	l. Are aspects of government contracting regulations seen as posing a barriers to Aboriginal businesses? Are PSAB eligibility criteria appropriate?	• Aboriginal stakeholder opinion	Survey of Aboriginal businesses	3
Cost-effectiveness of implementation	a. Has the PSAB respected the principles of procurement (value for money, openness, fairness)?	• Government stakeholder opinion	Key informant interviews Survey of FCOs Survey of RCMs	2
	b. Has the PSAB maintained competition among firms?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Key informant interviews Survey of FCOs Survey of RCMs Focus groups	2
	c. Has the number of contracts awarded to Aboriginal businesses increased (from the baseline)?	• Increase in set-asides and incidental contracts	File reviews	1
	d. What implementation costs are associated with the PSAB?	• Government stakeholder opinion	Key informant interviews Survey of FCOs Survey of RCMs	2
	e. Has the number of Aboriginal firms bidding on contracts increased?	• Increase in set-asides posted • Increase in firms competing for contracts	File reviews	2
Reporting and accountability	a. Has there been improvement in tracking low dollar value procurement (including aquistion card acquisitions)?	• Government stakeholder opinion	Key informant interviews Survey of RCMs Survey of contracting officers	2
	b. What is the estimated impact of subcontracting opportunities on Aboriginal businesses participating in the federal procurement market?	• Government stakeholder opinion	Key informant interviews Survey of RCMs Survey of contracting officers	2

Table 1: Issues key informants would like to see addressed in a future evaluation				
Issue	**Questions**	**General Indicators**	**Data sources**	**Priority**
	c. Is the certification process working? What have been the results of the audits?	• Government stakeholder opinion	Key informant interviews	3
	d. Have departments and agencies complied with the federal policy on the PSAB?	• Government stakeholder opinion	Key informant interviews	3
	e. Has reporting been consistent across departments and agencies?	• Government stakeholder opinion • Performance objectives submitted	Key informant interviews File reviews	3
	f. Is the formation of "front" or "shell" companies a problem? What have been the results of audits?	• Government stakeholder opinion • Results of the certification audits	Key informant interviews File reviews	2
Impacts resulting from the PSAB	a. How many and what kind of jobs have resulted from the PSAB? Are these in urban areas or on-reserve?	• Employment created	Survey of Aboriginal businesses Contracts Review (case studies)	1
	b. What kind of social and economic development has occurred in Aboriginal communities? Are there any regional benefits?	• Businesses created • Value of inputs purchased as a result of contracts	Focus groups Contracts Review (case studies) Survey of Aboriginal businesses	1
	c. Have there been any displacement or negative effects on non-Aboriginal businesses?	• Non-Aboriginal stakeholder opinion • Government stakeholder opinion	Focus groups File reviews Key informant interviews	2

Table 1: Issues key informants would like to see addressed in a future evaluation

Issue	Questions	General Indicators	Data sources	Priority
	d. Has there been an increase in the number and value of contracts awarded to Aboriginal businesses?	• Number and value of contracts	File reviews	1
	e. How many set-aside contracts were bid on during the last 5 years? How many were mandatory and voluntary set-asides? Have departments made effective use of set-aside opportunities?	• Number and value of contracts	File reviews	2
	f. What has been the impact of other policies and agreements (e.g., NAFTA/WTO, land claims)?	• Government stakeholder opinion	Key informant interviews	3
	g. What partnerships and joint ventures have been forged between Aboriginal and non-Aboriginal businesses?	• Government stakeholder opinion • Consistency of information across departments	Survey of Aboriginal businesses Focus groups	2
	h. What capacity building or skills transfer has occurred as a result of the PSAB?	• Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Survey of Aboriginal businesses Focus groups File reviews	2
Lessons learned and suggested improvements	a. What were the advantages and disadvantages of the PSAB?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Key informant interviews Focus groups	3
	b. Are there any improvements that can be made to the PSAB?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Key informant interviews Focus groups Survey of Aboriginal businesses Survey of performance coordinators	2
	c. What lessons learned and effective practices can be identified from the experience of the last 5 years?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Key informant interviews Focus groups	3
	d. What, if applicable, should a revised PSAB include?	• Government stakeholder opinion • Aboriginal stakeholder opinion • Non-Aboriginal stakeholder opinion	Key informant interviews Focus groups Survey of Aboriginal businesses Survey of performance coordinators	2

Appendix 2

Evaluation Methodologies to Address Identified Evaluation Issues

Table 1: Evaluation methodologies to address identified evaluation issues							
Evaluation issues and questions	**Proposed methodologies**						
	Key informant interviews	**Government follow-up surveys**	**Aboriginal business survey**	**File review**	**Survey of RCMs/FCOs**	**Review of selected contract files**	**Focus groups**
Continued relevance or rationale for the PSAB							
a. What is the size of the federal procurement market available to Aboriginal businesses? What portion is successfully accessed by Aboriginal businesses? Have Aboriginal businesses been integrated into the federal market place?	✔	✔	✔	✔			
b. Is the Strategy still required?	✔	✔	✔	✔	✔		✔
c. What goods and services do Aboriginal suppliers provide? To what extent do Aboriginal businesses have the capacity to provide goods and services procured by the federal government?	✔	✔	✔	✔	✔	✔	✔
d. Are Aboriginal businesses aware of the PSAB and what contracting opportunities are available? If so, how did they find out about them?	✔	✔	✔		✔		✔

Table 1: Evaluation methodologies to address identified evaluation issues							
Evaluation issues and questions	**Proposed methodologies**						
	Key informant interviews	**Government follow-up surveys**	**Aboriginal business survey**	**File review**	**Survey of RCMs/FCOs**	**Review of selected contract files**	**Focus groups**
Effectiveness of the implementation of the PSAB							
a. Have the performance objective targets been met?	✔	✔	✔	✔		✔	✔
b. Was the process for implementing the PSAB effective? Which elements were most effective? How can the PSAB be improved? What adaptions have been made to the Strategy during its implementation?			✔		✔		
c. Are contracting officers and RCMs aware of the PSAB and Aboriginal goods and services available?		✔	✔		✔		✔
d. Has there been effective communication among government departments and with Aboriginal businesses?	✔	✔	✔		✔	✔	✔
e. Has the electronic tendering system (Government Electronic Tendering System [i.e., OBS/MERX]) been effective? Do Aboriginal businesses subscribe to it?	✔	✔	✔				✔
f. What Aboriginal procurement practices have been voluntarily adopted by major crown corporations?	✔						
g. Has the Aboriginal Business Set-Aside Program been helpful?	✔	✔	✔		✔		✔

Table 1: Evaluation methodologies to address identified evaluation issues							
Evaluation issues and questions	**Proposed methodologies**						
	Key informant interviews	**Government follow-up surveys**	**Aboriginal business survey**	**File review**	**Survey of RCMs/FCOs**	**Review of selected contract files**	**Focus groups**
h. Which changes to contracting policy within the responsibility of TBS have been effective(e.g., bonding, letters of credit, etc)? Are bid matching services used by Aboriginal businesses? To what effect?	✔	✔	✔	✔			✔
i. What promotion and supplier development activities have taken place?	✔	✔	✔		✔		✔
j. What has been the role of the ASI? Has it been useful to purchasers and suppliers?	✔	✔	✔	✔			
k. What activities are Aboriginal suppliers undertaking to access federal markets?			✔				✔
l. Are aspects of government contracting regulations seen as posing a barriers to Aboriginal businesses? Are PSAB eligibility criteria appropriate?		✔	✔		✔		✔

Table 1: Evaluation methodologies to address identified evaluation issues							
Evaluation issues and questions	**Proposed methodologies**						
	Key informant interviews	**Government follow-up surveys**	**Aboriginal business survey**	**File review**	**Survey of RCMs/FCOs**	**Review of selected contract files**	**Focus groups**
Cost-effectiveness of the implementation of the PSAB							
a. Has the PSAB respected the principles of procurement (value for money, openness, fairness)?	✔	✔		✔	✔	✔	
b. Has the PSAB maintained competition among firms?	✔	✔		✔	✔	✔	✔
c. Has the number of contracts awarded to Aboriginal businesses increased (from the baseline)?				✔		✔	
d. What implementation costs are associated with the PSAB?	✔	✔			✔	✔	✔
e. Has the number of Aboriginal firms bidding on contracts increased?	✔			✔	✔		✔

Table 1: Evaluation methodologies to address identified evaluation issues							
Evaluation issues and questions	**Proposed methodologies**						
	Key informant interviews	**Government follow-up surveys**	**Aboriginal business survey**	**File review**	**Survey of RCMs/FCOs**	**Review of selected contract files**	**Focus groups**
Reporting and accountability							
a. Has there been improvement in tracking low dollar value procurement (including acquisition card acquisitions)?	✔	✔		✔			
b. What is the estimated impact of subcontracting opportunities on Aboriginal businesses participating in the federal procurement market?	✔	✔	✔	✔		✔	
c. Is the certification process working? What have been the results of the audits?	✔	✔	✔	✔		✔	
d. Have departments and agencies complied with the federal policy on the PSAB?	✔	✔	✔	✔	✔	✔	✔
e. Has reporting been consistent across departments and agencies?	✔	✔		✔		✔	
f. Is the formation of "front" or "shell" companies a problem? What have been the results of audits?	✔	✔	✔	✔			✔

Table 1: Evaluation methodologies to address identified evaluation issues

Evaluation issues and questions	Proposed methodologies						
	Key informant interviews	Government follow-up surveys	Aboriginal business survey	File review	Survey of RCMs/FCOs	Review of selected contract files	Focus groups
Impacts resulting from the PSAB							
a. What kind of social and economic development has occurred in Aboriginal communities? Are there any regional benefits?	✔	✔	✔	✔		✔	✔
b. Have there been any displacement or negative effects on non-Aboriginal businesses?	✔	✔	✔	✔		✔	✔
c. Has there been an increase in the number and value of contracts awarded to Aboriginal businesses?	✔	✔	✔	✔	✔	✔	✔
d. How many set-aside contracts were bid on during the last 5 years? How many were mandatory and voluntary set-asides? Have departments made effective use of set-aside opportunities?				✔		✔	
e. What has been the impact of other policies and agreements (e.g., NAFTA/WTO, land claims)?	✔	✔	✔	✔			✔
f. What partnerships and joint ventures have been forged between Aboriginal and non-Aboriginal businesses?	✔		✔		✔		✔
g. What capacity building or skills transfer has occurred as a result of the PSAB?			✔		✔		✔

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Lessons learned and suggested improvements							
a. What were the advantages and disadvantages of the PSAB?	✔	✔	✔		✔		✔
b. Are there any improvements that can be made to the PSAB?	✔	✔	✔		✔		
c. What lessons learned and effective practices can be identified from the experience of the last 5 years?	✔	✔	✔	✔	✔	✔	✔

Appendix 3

List of frequently used acronyms in the study Evaluation Issues

List of frequently used acronyms in the study

Procurement and contracting terminology

ACAN	Advanced Contract Award Notice
AIT	Agreement on Internal Trade
ASI	Aboriginal Supplier Inventory database
CLCA	Comprehensive Land Claims Agreements
CPN	Contracting policy notices
GETS	Government Electronic Tendering System
MERX	Canada's on-line tendering system operated by CEBR Inc.
NAFTA	North American Free Trade Agreement
OBS	Open Bidding System
PSAB	Procurement Strategy for Aboriginal Business
RCMs	Responsibility centre managers
TBACC	Treasury Board Advisory Committee on Contracting
WTO-AGP	World Trade Organization Agreement on Government Procurement

Departments, agencies, and organizations

ACOA	Atlantic Canada Opportunities Agency
AECB	Atomic Energy Board of Canada
AGR	Agriculture and Agrifood Canada
CAC	Consulting and Audit Canada
CCMD	Canadian Centre for Management Development
CH	Canadian Heritage
CHRC	Canadian Human Rights Commission
CIC	Canadian Immigration Commission
CIDA	Canadian International Development Agency
CSA	Canadian Space Agency
CSC	Correctional Services of Canada
CSIS	Canadian Security Intelligence Service
DFO	Department of Fisheries and Oceans
DIAND	Department of Indian Affairs and Northern Development
DND	Department of National Defence
DOJ	Department of Justice
DVA	Department of Veterans Affairs
El Can	Elections Canada
ENV	Environment Canada
FA	Foreign Affairs
FIN	Finance Canada
FORD-Q	Federal Office of Regional Development - Quebec
HC	Health Canada
HRDC	Human Resources Development Canada
IC	Industry Canada
IRB	Immigration Refugee Board
NEB	National Energy Board
NRCan	Natural Resources Canada
NSERC	National Science and Engineering Research Council
OAG/AG	Office of the Auditor General of Canada
OSFI	Office of Superintendent of Financial Institutions
PCO	Privy Council Office
PRC	Procurement Review Committee
PSC	Public Service Commission

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	PWGSC	Public Works and Government Services Canada
	RC	Revenue Canada
	RCMP	Royal Canadian Mounted Police
	SC	Statistics Canada
	SOLGEN	Solicitor General of Canada
	TBS	Treasury Board Secretariat
	TSB	Transportation Safety Board
	WED	Western Economic Diversification
Other terminology	Datacap	Electronic data entry system used to capture procurement activity
	HQ	Headquarters
	NCR	National Capital Region
	SIC	Standard Industrial Code
	VIMS	Vendor Information Management System